

August 14, 2019



Mobivity Announces 78% Revenue Growth in Q2 2019

Annual recurring revenue climbs 71% compared to Q2 2018

PHOENIX, Ariz., Aug. 14, 2019 (GLOBE NEWSWIRE) -- [Mobivity Holdings Corp.](#) (OTCQB:MFON), creators of the award-winning customer personalization platform, [Recurrency](#), today announced financial results for the second quarter ending June 30, 2019 ("Q2 2019").

Q2 2019 Highlights

- Revenue for the second quarter of 2019 increased 78% to \$2.4 million compared to \$1.4 million in the second quarter of 2018
- Recurring revenues climbed to more than \$2.7 million for the quarter, a 71% increase compared to \$1.57 million for Q2 2018
- Began deployment of the largest scannable offer management solution in North America
- Raised \$5.7 million in new financing
- Net loss for Q2, 2019 increased 63% to (\$2.6 million), from (\$1.6 million)
- On an adjusted EBITDA basis, when backing out non-recurring and non-cash charges, Q2 2019 net loss was relatively flat with a loss of (\$1.2 million) compared to an adjusted net loss of (\$1.1 million) in Q2 2018.

Dennis Becker, Mobivity Chairman and CEO, commented, "This was a milestone quarter for Mobivity as we advanced our sales channel initiatives with our largest partner in preparation for a widespread launch in the coming months. Mobivity also made great strides in growing its recurring revenue base, both from existing and new customers. Annual license fees per location for our Recurrency platform are now exceeding \$1,000 per location per year, and we are continually expanding our network in large part due to the strengthening sales channel we have built with leading partners. We have also completed the production of all marketing collateral to fully arm our largest partner's sales organization and we are completing final reviews now. We expect a widespread launch of our co-marketing efforts with this partner in the coming weeks followed by intensive training sessions for the rest of the year. The opportunity with this partner's customers is significant and we look forward to a mutually beneficial relationship."

"Additionally, we began a large-scale deployment during the second quarter with our largest customer that will expand our services beyond SMS text messaging and receipt advertising to all other promotional channels such as print, email, and smartphone applications," added Mr. Becker. "It is a testament to our unique offering that we are partnered with world-class brands and we are making great strides in our efforts to build a leading position in the \$1.8 trillion digital transformation market."

Consolidated Financial Summaries

Second Quarter 2019

(In thousands)	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Revenue	\$ 2,435	\$ 1,366	\$ 4,851	\$ 5,060
Revenue excluding ASC 606 *	\$ 2,697	\$ 1,572	\$ 5,240	\$ 3,617
Gross profit	\$ 808	\$ 610	\$ 2,053	\$ 3,510
Gross margin	33 %	45 %	42 %	69 %
Operating Expenses	\$ 3,293	\$ 2,084	\$ 6,333	\$ 6,423
Opex excluding ASC 606 *	\$ 3,415	\$ 2,187	\$ 6,530	\$ 5,591
Income (loss) from Operations	\$ (2,485)	\$ (1,474)	\$ (4,280)	\$ (2,913)
Net income (loss)	\$ (2,575)	\$ (1,585)	\$ (4,412)	\$ (3,090)
Adjusted EBITDA *	\$ (1,700)	\$ (1,068)	\$ (3,106)	\$ (3,264)

* Non-GAAP measures

**Mobivity Holdings Corp.
Consolidated Balance Sheets**

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
ASSETS		
Current assets		
Cash	\$ 154,825	\$ 554,255
Accounts receivable, net of allowance for doubtful accounts of \$48,038 and \$10,104, respectively	427,801	601,658
Contracts receivable, current	791,724	578,869
Other current assets	797,371	736,309
Total current assets	<u>2,171,721</u>	<u>2,471,091</u>
Goodwill	537,550	537,550
Right to use lease assets	421,032	-
Intangible assets, net	1,741,092	1,781,448
Contracts receivable, long term	1,512,445	2,113,823
Other assets	266,777	527,146
TOTAL ASSETS	<u>\$ 6,650,617</u>	<u>\$ 7,431,058</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,729,110	\$ 1,731,628
Accrued interest	96,033	9,167
Accrued and deferred personnel compensation	223,573	350,311
Deferred revenue and customer deposits	1,183,311	1,956,938
Related party notes payable, net - current maturities	127,954	131,392
Notes payable, net - current maturities	721,577	1,148,198
Other current liabilities	729,596	723,636
Total current liabilities	<u>5,811,154</u>	<u>6,051,270</u>
Non-current liabilities		
Related party notes payable, net - long term	2,500,000	-
Notes payable, net - long term	667,059	194,328
Other long term liabilities	1,100,091	860,500
Total non-current liabilities	<u>4,267,150</u>	<u>1,054,828</u>
Total liabilities	10,078,304	7,106,098
Commitments and Contingencies		
Stockholders' equity		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 45,998,053 and 45,998,053, shares issued and outstanding	45,998	45,998
Equity payable	100,862	100,862
Additional paid-in capital	88,685,027	88,008,473
Accumulated other comprehensive loss	(12,795)	4,759
Accumulated deficit	(92,246,779)	(87,835,132)
Total stockholders' equity	<u>(3,427,687)</u>	<u>324,960</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 6,650,617</u>	<u>\$ 7,431,058</u>

**Mobivity Holdings Corp.
Consolidated Statements of Operations**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues				
Revenues	2,434,841	1,366,239	4,851,436	5,059,567

Cost of revenues	1,626,823	756,130	2,798,649	1,549,519
Gross profit	<u>808,018</u>	<u>610,109</u>	<u>2,052,787</u>	<u>3,510,048</u>
Operating expenses				
General and administrative	1,581,266	770,591	2,726,502	2,018,934
Sales and marketing	802,050	792,263	1,559,192	2,253,843
Engineering, research, and development	761,320	422,660	1,739,428	1,954,258
Depreciation and amortization	148,391	98,728	307,481	195,698
Total operating expenses	<u>3,293,027</u>	<u>2,084,242</u>	<u>6,332,603</u>	<u>6,422,733</u>
Income (loss) from operations	(2,485,009)	(1,474,133)	(4,279,816)	(2,912,685)
Other income/(expense)				
Interest income	-	146	17	602
Interest expense	(89,855)	(109,635)	(130,992)	(167,124)
Gain on sale of fixed assets	-	-	-	(8,722)
Foreign currency (loss) gain	(35)	(1,290)	(856)	(1,620)
Total other income/(expense)	<u>(89,890)</u>	<u>(110,779)</u>	<u>(131,831)</u>	<u>(176,864)</u>
Income (loss) before income taxes	(2,574,899)	(1,584,912)	(4,411,647)	(3,089,549)
Income tax expense	-	-	-	-
Net Income (loss)	(2,574,899)	(1,584,912)	(4,411,647)	(3,089,549)
Other comprehensive income (loss), net of income tax				
Foreign currency translation adjustments	6,136	69,710	(17,554)	57,097
Comprehensive income (loss)	<u>\$ (2,568,763)</u>	<u>\$ (1,515,202)</u>	<u>\$ (4,429,201)</u>	<u>\$ (3,032,452)</u>
Net income (loss) per share:				
Basic	<u>\$ (0.06)</u>	<u>\$ (0.04)</u>	<u>\$ (0.10)</u>	<u>\$ (0.08)</u>
Weighted average number of shares:				
Basic	<u>45,998,053</u>	<u>38,018,733</u>	<u>45,998,053</u>	<u>37,952,427</u>

Reconciliation of net (loss) to adjusted EBITDA

Net (loss)	\$ (2,574,899)	\$ (1,584,912)	\$ (4,411,647)	\$ (3,089,549)
Loss on conversion of debt	-	41,902	-	41,902
Impact of ASC606	140,484	103,362	191,065	(610,206)
Stock based compensation	495,805	163,604	676,554	30,546
Depreciation and amortization	148,391	98,728	307,481	195,698
Interest expense	89,855	109,781	131,009	167,726
Adjusted EBITDA	\$ (1,700,364)	\$ (1,067,535)	\$ (3,105,538)	\$ (3,263,883)

Non-GAAP Measurements

This press release includes certain financial information which constitutes "non-GAAP financial measures" as defined by the SEC. A full reconciliation of the non-GAAP measures to GAAP can be found in the tables of today's press release. Non-GAAP adjusted net income is supplemental to results presented under accounting principles generally accepted in the United States of America ("GAAP") and may not be comparable to similarly titled measures presented by other companies. These non-GAAP measures are used by management to facilitate period-to-period comparisons and analysis of Mobivity's operating performance and liquidity. Management believes these non-GAAP measures are useful to investors in trending, analyzing and benchmarking the performance and value of Mobivity's business. These non-GAAP measures should be considered in addition to, but not as a substitute for, other similar measures reported in accordance with GAAP.

About Mobivity

Brick and mortar stores struggle to manage customer connections in a digital world. Mobivity provides a platform to connect national restaurants, retailers, personal care brands and their partners with customers to increase retention, visits, and spend. Mobivity's Recurrency suite of products increases customer engagement and frequency by capturing detailed POS transaction records, analyzing customer habits, and motivating customers and employees through data-driven messaging applications and rewards. For more information about Mobivity, visit www.mobivity.com or call (877) 282-7660.

Forward Looking Statement

This press release contains forward-looking statements concerning Mobivity Holdings Corp. within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those forward-looking statements include statements regarding the benefits of recent additions to the Company's management team; the Company's expectations for the growth of the Company's operations and

revenue; and the advantages and growth prospects of the mobile marketing industry. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, our ability to successfully integrate our recent additions to management; our ability to develop the sales force required to achieve our development and revenue goals; our ability to raise additional working capital as and when needed; changes in the laws and regulations affecting the mobile marketing industry and those other risks set forth in Mobivity Holdings Corp.'s annual report on Form 10-K for the year ended December 31, 2018 filed with the SEC on April 1st, 2019 and subsequently filed quarterly reports on Form 10-Q. Mobivity Holdings Corp. cautions readers not to place undue reliance on any forward-looking statements. Mobivity Holdings Corp. does not undertake, and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

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Source: Mobivity Holdings Corp.